

CIA/OER/S-07520-75 SECRET DISPOSITION OF SAUDI ARABIA'S 1974 INVEST-
MENT SURPLUS MAY 75 SECRET 01 OF 01

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

5-07520

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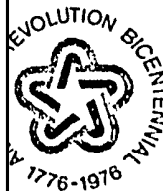
MEMORANDUM FOR: Mr. Joseph Darling
Assistant for International Trade
and Investment
Office of the Assistant Secretary
of Defense

SUBJECT : The Disposition of Saudi Arabia's
1974 Investable Surplus

1. The attached tables are in response to your recent request for information on the disposition of Saudi Arabia's 1974 investable surplus. A copy of ER IR 75-9, which you also requested, is included.

2. As Table 1 indicates, Saudi Arabia had an estimated current account surplus, excluding grant-type assistance, of \$27.4 billion in 1974. Export earnings totaled some \$31.6 billion while payments for imports of goods and services totaled \$4.2 billion. Not all of this surplus was available last year, however. Because of an estimated \$6.8 billion lag in payments by international oil companies, the available surplus was only \$20.6 billion.

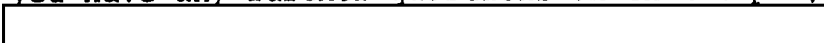
3. Table 2 provides a breakdown of Saudi Arabia's investable surplus. About \$16.1 billion, or almost 80%, was channeled into foreign official assets by the Saudi Arabian Monetary Agency. Approximately \$1.8 billion of these official assets, or 6% of the total, was invested in the IMF oil facility and World Bank bonds. An additional 10% was held by Saudi public corporations. Grant-type assistance and disbursements to producer-inspired aid institutions -- such as the Islamic Development Bank -- accounted for an additional 11% of the total. Private capital flows and errors and omissions account for the remainder.




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4. If you have any further questions on this topic,
please call 

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Office of Economic Research

Attachments:
As stated

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TABLE 1

SAUDI ARABIA: CURRENT ACCOUNT, 1974*

	(BILLION US \$)
EXPORTS (F.O.B.)	31.6
OIL	31.6
NON-OIL	0.0
IMPORTS** (F.O.B.)	3.3
TRADE BALANCE	28.4
NET SERVICES AND PRIVATE TRANSFERS	-0.9
FREIGHT AND INSURANCE	-0.4
INVESTMENT INCOME RECEIPTS	1.2
OTHER	-1.7
CURRENT ACCOUNT BALANCE	27.4

*EXCLUDING GRANT-TYPE ASSISTANCE.

**INCLUDING MILITARY GOODS.

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TABLE 2

SAUDI ARABIA: DISPOSITION OF INVESTABLE FUNDS, 1974

	<u>BILLION US \$</u>	<u>PERCENT OF TOTAL</u>
FOREIGN OFFICIAL ASSET ACCUMULATIONS	16.1	78
PUBLIC CORPORATIONS' CASH ACCUMULATIONS	2.0	10
GRANT-TYPE ASSISTANCE	1.6	8
FUNDING OF PRODUCER AID INSTITUTIONS	.6	3
OTHER	.3	1
TOTAL	20.6	100

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